impact of removal of Quantitative Restrictions (QRS) on urea and evolve strategy for combating its adverse impact, if any. The recommendations of Task Force will form the basis for further action by the Government to protect the domestic industry by levying of tariffs on imports and such other measures as are necessary.

Retention Pricing Scheme of Fertilizers

630. SHRI VEDPRAKASH P. GOYAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what is the logic behind retaining the Retention Pricing Scheme (RPS) to provide subsidy;

(b) whether it has proved effective in containing the prices and providing benefits to fertilizer consumers;

(c) to whom the subsidy money goes-producers or the consumers of fertilizers and who gets how much; and

(d) whether Government plan to address the subsidy on long term basis so that common man gets the maximum benefit?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) Introduced on November 1, 1977, on the recommendations of the Marathe Committee, Retention Price-cum-Subsidy Scheme has served the twin objectives of making urea available to farmers at affordable prices while ensuring the growth of fertilizer industry .by providing to the industry a fair and assured post tax return over the cost of production.

(b) The farm gate prices of urea are fixed by the Government keeping in mind its affordability to the farmers.

(c) While the farmers have to pay the notified farm gate price which is below *tLi* weighted average cost of production of the urea units, the scheme provides that the production units get their cost of production plus return as assured under the scheme.

(d) Keeping in tune with the policy of economic liberalisation and reforms, all other fertilizers except urea have already been freed from

price, movement and distribution control. The Government intends to move towards a de-regulatory regime in fertilizer sector in a phased manner after taking into account its fiscal capacity on the one hand and simultaneously making available fertilizers to the farmers at a reasonable price.

Cancelling of Indo-Oman Urea Project

631. SHRI K.M. SAIFULLAH:
SHRI KARNENDU BHATTACHARJEE:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether his attention has been drawn to the news-item, "India okays urea project after Oman cancels it", published in the Newstime dated 21st June, 2000;

(b) if so, his reaction thereto;

(c) the reasons for Government of Oman cancelling the project;

(d) how the project was to be financed; and

(e) whether the persons responsible for delaying the project have been identified; if so, what steps are proposed to be taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) to (e) The Government have approved the revised and restructured Oman India Fertilizer Project (OMIFCO) on 20.6.2000 subject to speedy resolution of certain outstanding issues. Concerns of the Government of Sultanate of Oman about delay in clearance of the restructured project have now been set at rest and the Sultanate of Oman has reiterated its commitment to assist the Indian sponsors in speedy resolution of all outstanding issues. The total project cost of US $ 969 million has a debt component of US $ 649 million which will be financed by a consortium of international banks. The time taken in clearing the project was because of the need to revise and